

**ABN Amro NZ Day
March 2004**



FletcherBuilding

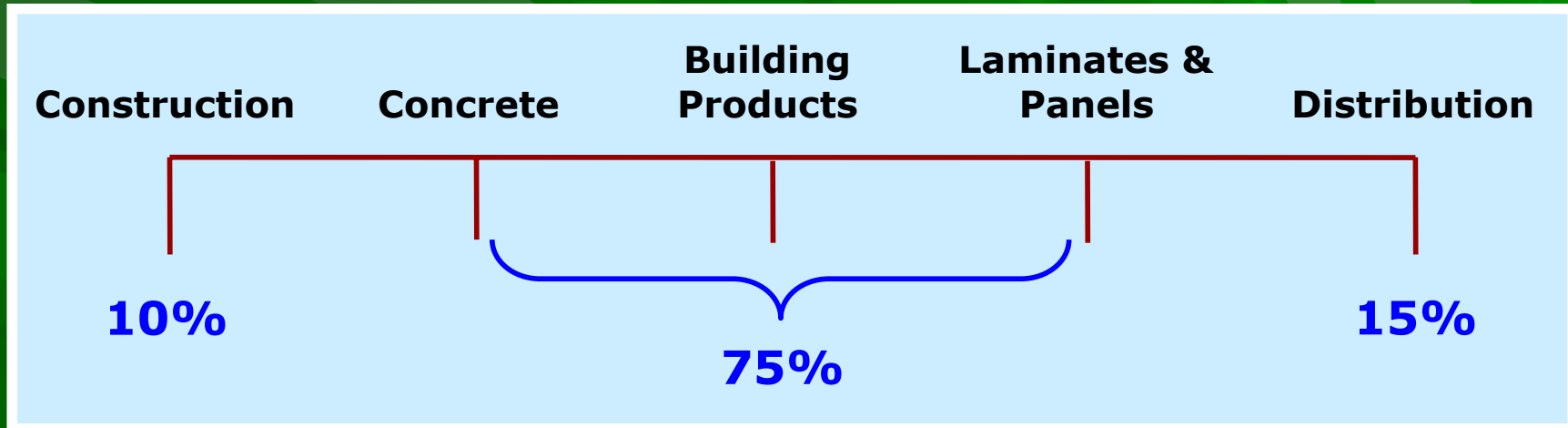
**Ralph Waters
Chief Executive Officer**

Fletcher Building

- One of New Zealand's top industrial companies with a history going back to the early 1900's
- The leader in the NZ building industry
- NZ\$4 billion revenue; NZ\$1.8 billion market capitalisation
- FBU is listed on NZX and ASX
- Strong market shares in all its building sectors
- Full information on www.fletcherbuilding.co.nz

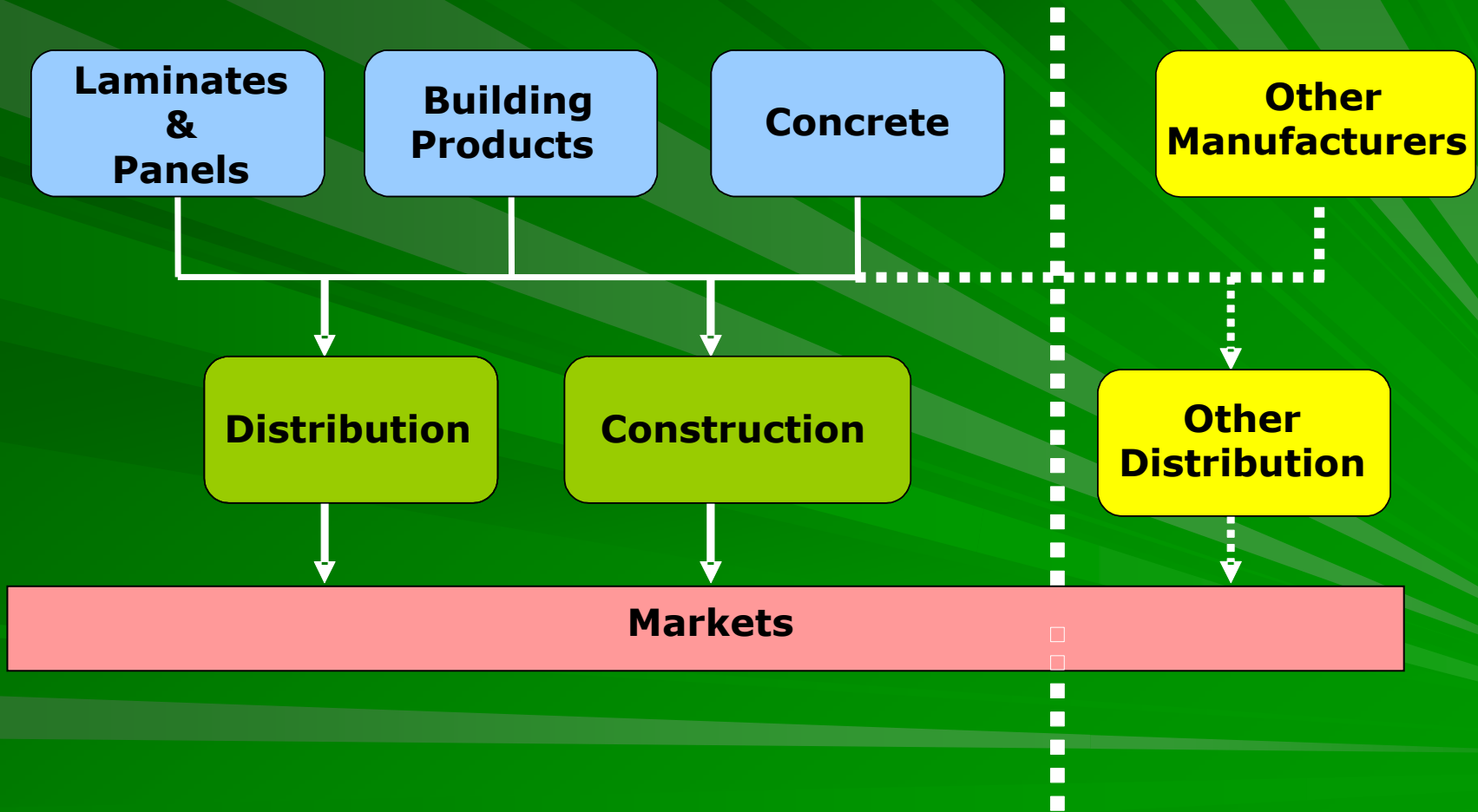
What is Fletcher Building?

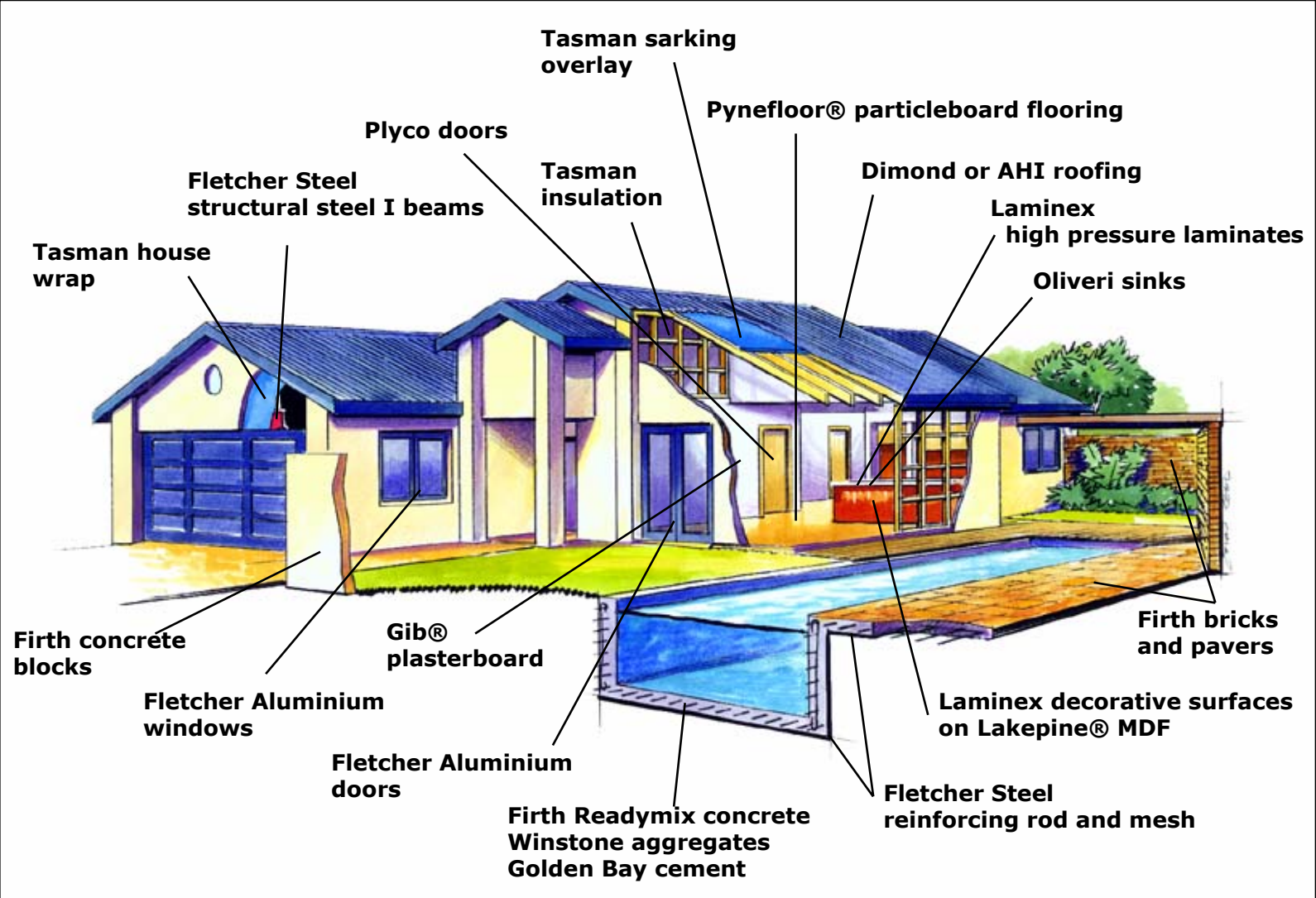
Earnings Make Up



- Not a construction company
- Not a distribution business
- A building materials manufacturer which controls its channels to market

The Fletcher Building Model





Concrete



50% of NZ market



33% of NZ market



25% of NZ market



60% of NZ market



60% of NZ market

Building Products



Winstone Wallboards Ltd

94% of NZ market



FLETCHER
ALUMINIUM

No.2 in NZ



TASMAN
INSULATION NEW ZEALAND

No.1 in Australasia



AHI ROOFING

A FLETCHER BUILDING COMPANY



TASMAN

ROOFING PRODUCTS

No.1 in Australasia
(also facility in California)



TASMAN

SINKWARE

No.2 in Australasia



TASMAN

ACCESS FLOORS

No.1 in Australasia

Building Products – Steel



50% of Sims



200,000T EAF Steel Mill



Rod, Bar & Wire



General steel distribution



Flat products

Laminates & Panels



HPL (2 mills)
No.1 Australasia

Decorated Board
No.1 Australasia

MDF (3 mills)
No.2 in Australasia

Particle Board (2 mills)
No.2 in Australasia

40 owned distribution outlets
across Australasia

Hardboard (1 mill)
No.2 in Australasia

Distribution



54 PlaceMakers stores in NZ

35% of building materials market

Joint Venture rather than franchise

No.1 in segment

Trade focus – 80% of sales

Construction

New Zealand's leading construction company

- ❑ Commercial (Buildings)
- ❑ Engineering (Infrastructure)
- ❑ South Pacific (General)
- ❑ Residential (NZ largest home builder)



FLETCHER CONSTRUCTION



FLETCHER RESIDENTIAL

Company Dimensions

Revenue: NZ\$4.00 billion annualised

Market cap: NZ\$1.8 billion No.5 on NZX

Employees: 11,000

Shares: 432 million
Daily average turnover \approx 1,000,000

Shareholders:

NZ	47%
Aust	30%
USA	13%
Other	10%

Results Record

	2001**	2002	2003	1/2 2004
EBIT NZ\$m*	94	205	331	217
ROE		16.9%	23.0%	23.6%
ROFE		23.1%	24.4%	23.9%
TSR		24%	43%	20%
				(for 6 mths)

* *Pre unusualls*

** *Proforma for 12 months*

Latest Result

NZ\$m	Jun 2002 12 Mths	Jun 2003 12 Mths	Dec 2003 6 Mths
Building Products	77	102	74
Distribution	34	59	36
Concrete	60	81	42
Construction	30	34	20
Laminates & Panels	8	54	48
Corporate/Unallocated	-4	1	-4
EBIT	205	331	216

Latest Result

NZ\$m	Jun 2002 12 Mths	Jun 2003 12 Mths	Dec 2003 6 Mths
EBIT before Unusuals	205	331	216
Interest	-51	-59	-36
Tax	-54	-85	-58
Minority Interests	-12	-19	-11
	<hr/>	<hr/>	<hr/>
	88	168	111
Adjustment net of tax	5	-	-
	<hr/>	<hr/>	<hr/>
Profit After Tax	93	168	111
	<hr/>	<hr/>	<hr/>

Dividends

NZ\$	<u>2002</u>		<u>2003</u>		<u>2004</u>
cps to residents	6	8	9	10	11
Tax credit refund	2.95	3.94	4.43	4.92	5.42
Non-resident withholding tax 15%	-1.34	-1.79	-2.01	-2.24	-2.46
Net paid to non-residents	7.61	10.15	11.42	12.68	13.96*

* Plus a 50% Imputation Credit for Australian Holders

Stewardship Credentials

- ❑ Exceeded consensus forecasts for five consecutive announcements
- ❑ Australian acquisitions are performing well and ahead of expectations
- ❑ New Zealand's "Company of the Year 2003"

So why the current share price?

- ❑ Uncertainty as to extent of NZ housing downturn
- ❑ Uncertainty as to the impact of an economic downturn on Fletcher Building's earnings
- ❑ Poor profit history through previous downturns

What will happen?

- ❑ Company has been fundamentally changed since separation
- ❑ Lower fixed cost base
- ❑ Not one single loss business unit
- ❑ Less reliant on NZ economy
- ❑ 2001 downturn 19,000 housing starts in NZ
2004/5 downturn 27-28,000 housing starts
 expected in NZ
- ❑ For last decade 24,000 was a peak year

What will happen?

- ❑ Non-residential construction on the rise
- ❑ Infrastructure spending high
- ❑ Fletcher Building's construction backlog at \$550m is high by past standards
- ❑ Several plants have been capacity constrained

NZ – Does it deserve a discount or premium?

Fletcher Building

- has standout defensible market positions
- captures value right through the chain

This results in

- ability to maintain our prices
- returns well above peer average
- improvements have taken earnings to their true potential

Strong cash flow/balance sheet allows further growth



FletcherBuilding